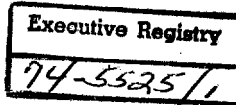


**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON, D.C. 20505



27 AUG 1974

Honorable Harley O. Staggers, Chairman  
Committee on Interstate and Foreign Commerce  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is in reply to your request for our comments on H.R. 14135, a bill "To establish a National Resource Information System, and for other purposes."

It is not entirely clear whether information on both domestic and foreign resources is to be subject to the proposed information system. Resources are inherently international in character and since U. S. resource availability or needs are affected by world supply and demand and since the activities of foreign affiliates of U. S. firms must be reported, foreign resources appear to be included. Clarifying language on the scope of the bill would be helpful.

If the bill is to be limited to information on domestic resources, we would have no substantive comment to offer since domestic matters are not within our scope of authority. On the other hand, if foreign information is to be included in the proposed National Resource Information System, this Agency would be affected and we have the following comments to make:

a. Certain resources are not separable from the technology used in their extraction and are only recoverable through sophisticated technological processes. An example would be Uranium-235. If information on foreign natural resource processing is to be included in the new information system, perhaps the authority and responsibility of the proposed Bureau of National Resource Information to collect and report new foreign technological processes should be made clear.

b. In connection with information to be provided by this Agency, certain factors must be considered. The use of foreign intelligence information carries with it the burden of protecting the sensitive Intelligence Sources and Methods utilized

in its collection and analysis. Unless satisfactorily protected, sources will dry up and methods may be nullified, with resulting damage to our nation's security interests. These considerations were recognized and validated in the National Security Act of 1947 (50 U.S.C. 403), which in part provides:

"That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure."

c. Of equal concern are the proposed grant of authority to the Comptroller General to review claims that information is entitled to be kept secret, and the proposed right of access to agency files by the Director of the Bureau of National Resource Information or his designees.

d. Section 208(f) of H. R. 14135 would require immediate confirmation of any information which comes into the public domain. This would force the confirmation of information which is disclosed without authorization and could aggravate the damage resulting from the initial disclosure. We would urge that this section be struck from the bill.

e. It is noted that Section 209 of the bill establishes criminal penalties for the unauthorized disclosure or theft of national resource information by a Government employee in the interest of deterring such conduct. I am proposing similar legislation concerning Intelligence Sources and Methods, which I believe are deserving of the same protection.

Enclosed is a suggested amendment to the bill which would, I believe, satisfactorily resolve the statutory conflict referred to above, while preserving the intent and objectives of the legislation.

The Office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

/s/ W. E. Colby

W. E. Colby  
Director

**Enclosure**

**Distribution:**

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OLC:PLC:cg (19 Jul 74)

Suggested Amendment to H. R. 14135

Add as new Section 704 to Title VII:

"INTELLIGENCE SOURCES AND METHODS

"Sec. 704. In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947, as amended (50 U.S.C. 403(d)(3)), that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, nothing in this Act shall require the Central Intelligence Agency to provide information when in the sole discretion of the Director of Central Intelligence such provision would disclose information relating to intelligence sources and methods which, in the judgment of the Director of Central Intelligence, should not be disclosed."

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| Delivered to: 2125 Rayburn House Office Bldg.<br>FROM: Central Intelligence Agency  |  | NO. <b>Q356198</b>  |  |
| Washington, D. C. 20505   |  | DATE<br>28 Aug 74   |  |
| TO: Hon. Harley O. Staggers, Chm.<br>Committee on Interstate and<br>Foreign Commerce<br>House of Representatives<br>Washington, D. C. 20515 |  | TYPE OF MATERIAL<br><input type="checkbox"/> ENVELOPE (S)<br><input type="checkbox"/> PACKAGE (S)<br><input type="checkbox"/> OTHER |  |
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CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

8 MAY 1974

Honorable Harley O. Staggers, Chairman  
Committee on Interstate and Foreign Commerce  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your request for the views and recommendations of this Agency on H. R. 14135, "To establish a National Resource Information System, and for other purposes." We are formulating our position with respect to the bill and will send you our report as soon as it has been appropriately coordinated within the Executive Branch.

Sincerely,

**Vernon A. Walters**

Vernon A. Walters  
Lieutenant General, USA  
Acting Director

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

H. R. 14135

FROM:

Legislative Counsel  
7D43

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Acting Director

2.

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For your signature, an interim reply to a letter from Chairman Staggers, House Committee on Interstate and Foreign Commerce, requesting our comments on H. R. 14135, a bill introduced by Rep. Peter W. Rodino, Jr. (D., N. J.). The bill establishes a Bureau of National Resource Information within the Department of Commerce to be responsible for the collection and central file repository of all information concerning natural resources affecting the United States. A careful review has been initiated by all Directorates and other offices of interest, since we appear to be materially affected. Attached are a copy of the bill and a rundown of pertinent provisions of the bill.

[Signature Box]

George L. Cary  
Legislative Counsel

Attachments



H. R. 14135, "To establish a National Resource Information System, and for other purposes." [Rep. Peter W. Rodino, Jr. (D., N. J.)]

1. H. R. 14135 establishes a National Resource Information System to maintain a central information bank on all natural resources affecting the United States. The purpose is to provide Government, industry, and the public information to assist in developing national policies, to conserve resources, to aid the economy and technology, to protect the environment and to better operate regulatory systems. A Bureau of National Resource Information is established within the Department of Commerce. Natural resource companies would be required under the bill to provide information upon demand. Refusal or providing false information can result in fine and imprisonment.

2. The bill establishes three categories of information: public, confidential, and secret. The confidential files would contain information provided by a private company if the information concerns national security or might benefit a competitor. The secret library concerns that information which for reasons of national security or competitive equities must be wholly suppressed or published only in statistical form. Only employees of the new Bureau and of Commerce as designated may have access to secret files. Confidential files are open to all branches of Government. Under established criteria, information may be transferred from one category to another. All information, under section 208(e), is to be released at the end of twenty-five years unless a hearing is requested. Under section 208(f) any information must be made public if it in any way has come into public domain. Section 209 provides penalty of \$2,000 fine and two years imprisonment for the unauthorized disclosure of information by an employee. If the disclosure is made with intent to harm the U. S. national security; to affect a company competitively; or to invade a right of privacy, the fine is increased to \$20,000 and imprisonment to twenty years.

3. Section 702 of the bill amends the Freedom of Information Act to provide that nothing in that Act shall prevent any agency from providing the new Bureau of National Resource Information any natural resource information, regardless from whom or when it was obtained.

4. Section 703 amends the Federal Reports Act of 1942, title 44 U.S.C. sections 3504-8, and establishes the Bureau of National Resource Information as the collecting agency for national resources information. The collecting program is to be established in coordination with other agencies having a need and interest in the information. There is a proviso that requests upon any agency for resource information must not prevent or unreasonably delay any agency from collecting any information which it is expressly directed to collect by law.